29 October 2021

Scancell Holdings plc
("Scancell" or the "Company")

Results for the year ended 30 April 2021

Strong progress during transformative period for the Company; raised £48 million to accelerate clinical progress of vaccine and antibody platforms

Scancell Holdings plc (AIM: SCLP), the developer of novel immunotherapies for the treatment of cancer and infectious disease, today announces its final audited financial results for the year ended 30 April 2021 as well as a business update.

Highlights (including post period):

Operational:

- Significant progress made with vaccine programmes
    - Modi-1, lead Moditope® candidate, moves into clinical development
        - Post period approval by the UK's Medicines and Healthcare Products Regulatory Authority (MHRA) of the clinical trial application (CTA) to initiate the first-in-human Phase 1/2 clinical study
        - Good Manufacturing Practice (GMP) drug manufacture advanced and formal regulatory-compliant toxicity studies completed
        - Publication of peer-reviewed paper in the *Journal for ImmunoTherapy of Cancer* highlighting the potential of Modi-1 for hard-to-treat cancers
    - First subject dosed in Scancell's COVID-19 vaccine Phase 1 clinical trial (COVIDITY)
        - Phase 1 trial approval from the South African Health Products Regulatory Authority post period
        - PharmaJet Needle-free Injection Systems selected post period to administer the Company's two SARS-CoV-2 vaccine candidates
        - Manufacturing agreement with Cobra Biologics including GMP production of plasmid DNA
        - Secured c.£2m of funding from Innovate UK to fund the Phase 1 trial
    - Post-pandemic restart for SCIB1 Phase 2 combination trial with Keytruda® in patients with late-stage melanoma with four clinical centres operational and actively screening patients
- Advancing antibody platform
    - Developing unique, rich pipeline of anti-Tumour Associated glycan ('TaG') antibodies with the initial aim of generating early stage clinical data, either alone or in combination with potential strategic partners
    - Publication of manuscript in *Cancer Research*, highlighting the potential of AvidiMab™ to enhance the potency of any therapeutic antibody

Corporate:

- Professor Lindy Durrant, founder, Board Director and Chief Scientific Officer of Scancell, appointed as Chief Executive Officer of Scancell Holdings plc in July 2021
- Susan Clement Davies, an experienced life sciences financier, appointed as Non-Executive Director of the Company in September 2020, following Dr Alan Lewis standing down
- Expanded the Group's R&D capabilities post period by taking new laboratory and office space in the Bellhouse Building at The Oxford Science Park (TOSP)

Financial:

- Raised £48 million (£46.1 million net proceeds) from the issue of shares and convertible loan notes over the period and welcomed Redmile Group, a US based specialty healthcare fund, as the Company's largest shareholder

- Operating Loss for the 12-month period of £8.8 million (2020: operating loss: £6.8 million) reflecting the expected increase in development expenditure

- Group cash balance at 30 April 2021 was £41.1 million (30 April 2020: £3.58 million)

Prof Lindy Durrant, Chief Executive Officer, Scancell, commented:

"We have achieved a lot in this transformational year for Scancell; strengthening the Group's cash position and accelerating the progress of our novel cancer and COVID-19 vaccines into the clinic. We have recently initiated our COVIDITY programme, which aims to develop a next generation, DNA-based COVID-19 vaccine, which we believe may have advantages over current mRNA-based vaccines, and we look forward to reporting safety and immunogenicity data during H1 2022. We have also progressed development of Modi-1, the first candidate arising from our Moditope® platform, and look forward to the first patients being dosed in our Phase 1/2 clinical trial shortly. Additionally, we are advancing our unique pipeline of anti-TaG antibodies with the initial aim of generating early stage clinical data, either alone or in combination with strategic partners. I am excited at what the future holds for the Group and we look forward to making further progress over the coming year."

A full copy of the announcement can be found on the Scancell website: www.scancell.co.uk

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014 (MAR).

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About Scancell

Scancell is developing novel vaccine and antibody medicines to treat significant unmet needs in cancer and infectious diseases based on its technology platforms, ImmunoBody®, Moditope® and AvidiMab™, with four products in multiple cancer indications, development of a vaccine for COVID-19 and a growing portfolio of novel anti-TaG monoclonal antibodies.

ImmunoBody® vaccines target dendritic cells and stimulate both CD4 and CD8 T cells with the ability to identify, target and eliminate cancer cells. These cancer vaccines have the potential to be used as monotherapy or in combination with checkpoint inhibitors and other agents. The Directors believe that this platform has the potential to enhance tumour destruction, prevent disease recurrence and extend survival.

DNA vaccine against COVID-19: As research data emerges, it is becoming increasingly clear that the induction of potent and activated T cells may play a critical role in the development of long-term immunity and clearance

of virus-infected cells. Initial research is underway and Scancell has initiated a Phase 1 clinical trial known as COVIDITY in October 2021.

Moditope® represents a completely new class of potent and selective immunotherapy agents based on stress-induced post-translational modifications (siPTM). Examples of such modifications are citrullination, an enzyme-based conversion of arginine to citrulline, and homocitrullination (or carbamylation), in which lysine residues are converted to homocitrulline. Expression of peptides containing these modifications have been demonstrated to induce potent CD4 cytotoxic T cells to eliminate cancer. The Directors believe that this platform has the potential to eradicate hard to treat solid tumours.

AvidiMab™ has broad potential to increase the avidity or potency of any therapeutic monoclonal antibody (mAb) including those being developed for autoimmune diseases, as well as cancer. Scancell's development pipeline includes mAbs against specific tumour-associated glycans (TaGs) with superior affinity and selectivity profiles, that have now been further engineered using the Company's AvidiMab™ technology; this confers the Scancell anti-TaG mAbs with the ability to directly kill tumour cells. The mAbs targeting TaGs can also be used to deliver a cytotoxic payload to cancer cells or to redirect T cells.

CHAIRMAN'S STATEMENT

I am pleased to report the Group's results for the year ended 30 April 2021. Our ambition is to generate truly novel vaccine and antibody medicines to treat significant unmet needs in cancer and infectious disease. We have made significant progress towards this, during and post period, by advancing our lead vaccine products into clinical development.

In particular, we were pleased to initiate our COVIDITY programme, which is based on our DNA vaccine platform, ImmunoBody®. COVIDITY is aimed at developing a next generation DNA-based COVID-19 vaccine to be administered using PharmaJet's needle-free systems. The Phase 1 clinical study started on 5 October 2021. Furthermore, Modi-1, the lead therapeutic vaccine candidate from our Moditope® platform, has received MHRA approval of the CTA for a Phase 1/2 study in the treatment of solid tumours. The first patients in this study should be enrolled shortly.

As reported in the Interim Results, during the year we were pleased to have raised £46.1 million net proceeds through issuing new shares and convertible loan notes. In addition, Vulpes Life Science Fund fully converted their convertible loan note (£1 million) to shares on 27 October 2020, and on 2 November 2020, Redmile Group partially converted £3.25 million of their £5 million August convertible loan note to shares leaving £19.65 million in convertible loans outstanding as at the balance sheet date.

We welcome Redmile Group, a US based specialty healthcare fund, as the Company's largest shareholder and also acknowledge, and much appreciate, the continued support and participation in the recent financings by Vulpes Life Science Fund and many of our existing shareholders.

Post year end, on 28 July 2021, we were very pleased to be able to appoint Professor Lindy Durrant, founder, Board Director and Chief Scientific Officer (CSO) of the Group as Chief Executive Officer (CEO) of Scancell Holdings plc following Dr Cliff Holloway's decision to step down as a Board Director and CEO. The Board would like to thank Cliff for his commitment over the last three years during which time the Company has made substantial progress. As a co-founder and CSO, Lindy has been the driving force behind Scancell's internationally recognised science. The Board firmly believes that her strategic insight and commitment to moving products into clinical trials as well as her strong leadership skills will deliver significant value to the business and to shareholders.

Since the start of the COVID-19 pandemic, the health and safety of our staff has been the Group's key priority and we have taken measures to protect our employees. As previously announced, the SCIB1-002 clinical trial was paused as many hospitals in the UK prioritised COVID-19 patients and stopped all clinical trials. We are pleased that patient recruitment in this trial has now restarted and the Company has opened a further three clinical trial sites in order to minimise any further potential delays in recruitment to this study.

Despite the impact of COVID-19, outlined below is the strong progress that the Group has continued to make across our vaccine and antibody platforms.

VACCINES

Moditope® platform

Moditope® is a versatile proprietary cancer vaccine platform that targets stress-induced post-translational modifications (siPTMs) of proteins. This discovery has allowed the Company to develop a completely new class of potent and selective therapeutic vaccines. Examples of such modifications include citrullination, an enzyme-based conversion of arginine to citrulline, and homocitrullination, in which lysine residues are converted to homocitrulline. Expression of peptides containing these modifications have been demonstrated to induce potent CD4 cytotoxic T cells that induce anti-tumour activity without any associated toxicity.

Modi-1

Modi-1, which targets citrullinated cancer antigens, is the first therapeutic vaccine candidate to emerge from Scancell's Moditope® platform. The Company has recently received MHRA approval for a Phase 1/2 clinical trial in patients with solid tumours, including triple negative breast cancer, ovarian cancer, renal cancer and head and neck cancer. It is expected that the study will start to enrol patients later this calendar year with initial safety data potentially available during 2022 and preliminary efficacy data from 2023.

Modi-2

Modi-2, which targets homocitrullinated cancer antigens, is the second therapeutic vaccine candidate from the Moditope® platform and has the potential to address different cancer indications to Modi-1, including tumours with a particularly immunosuppressive environment. Under the Group's current assumptions, it is anticipated that Good Manufacturing Practice (GMP) manufacture of the Modi-2 product will commence in 2022.

ImmunoBody® platform

Scancell's ImmunoBody® immunotherapy platform uses the body's immune system to identify, attack and destroy tumours. This is achieved by delivering a DNA plasmid to enhance the uptake and presentation of cancer antigens to harness high avidity T cell responses. Each ImmunoBody® vaccine can be designed to target a particular cancer in a highly specific manner, offering the potential for enhanced efficacy and safety compared with more conventional approaches. These vaccines have the potential to be used as monotherapy or in combination with checkpoint inhibitors and other agents. The Directors believe that this platform has the potential to enhance tumour destruction, prevent disease recurrence and extend survival.

Scancell's ImmunoBody® vaccine approach can also be exploited to induce immune responses against infectious diseases. As research data emerged at the beginning of the COVID-19 pandemic, it was clear that the induction of potent and activated T cells may play a critical role in the development of long-term immunity and clearance of virus-infected cells. Scancell is therefore also using its proven cancer vaccine concept to design a vaccine against SARS-CoV-2, the virus that causes COVID-19.

COVIDITY

The COVIDITY programme, focusing on the Company's novel COVID-19 vaccine candidates SCOV1 and SCOV2, is a collaboration between Scancell and scientists at the Centre for Research on Global Virus Infections and the new Biodiscovery Institute at the University of Nottingham, and Nottingham Trent University. To date, the programme has received c.£2 million non–dilutive funding from Innovate UK, the UK's Innovation Agency. The COVIDITY programme is based on Scancell's ImmunoBody® platform and is aimed at developing a next generation DNA-based COVID-19 vaccine administered using PharmaJet's needle-free delivery systems. The COVIDITY vaccines have been designed to elicit more enduring immunity to conserved antigens compared to the current mRNA-based vaccines, and also to allow COVID-19 vaccines against new SARS-CoV variants to be generated quickly when they emerge.

The Directors believe key advantages of Scancell's COVID-19 vaccine include that:

- It targets the S protein to induce virus-neutralising antibodies (VNAbs) that prevent the COVID-19 virus from entering cells, as well as inducing strong T cell responses to both the S and N proteins to destroy virally-infected cells and prevent further viral replication.

- The N protein is well-conserved between coronaviruses, so that the vaccine has the potential to be effective against any variant of concern (including the Delta variant) or new strain of coronavirus.

- DNA vaccines are exceptionally stable, do not require ultra-low temperature storage and are manufactured using relatively simple processes compared to mRNA vaccines.

The Phase 1 clinical study started on 5 October 2021 and will be conducted in South Africa and the UK, with safety and immunogenicity data expected to be available in H1 2022. Given the large size of later stage trials, the Company intends to partner this programme once it has generated proof of concept data from the Phase 1 trial.

SCIB1

SCIB1 is currently being evaluated in a Phase 2 clinical trial in the UK in combination with the checkpoint inhibitor Keytruda® for the treatment of metastatic melanoma. Patient recruitment has been impacted by a combination of the ongoing COVID-19 pandemic and recent changes in the treatment of metastatic melanoma whereby most patients receive treatment with a combination of checkpoint inhibitors and ipilimumab rather than Keytruda® alone. However, recruitment has re-started following approval of a protocol amendment to reduce patient hospital visits and allow remote monitoring of the trial. Four clinical centres are now operational and actively screening patients, with additional trial sites under evaluation.

During the period, the Company has also been developing iSCIB1+, an AvidiMab™ modified version of SCIB1, which is expected to increase both the potency of SCIB1 and extend patent life. The modification also includes multiple epitopes so it can be used to treat all patients rather than be limited to the 40% of patients who have the appropriate HLA type for treatment with SCIB1. Given the significant improvements in potency, utility and

patent life with iSCIB1+, the Company is currently evaluating its strategic options for the current SCIB1 programme which could include changes to the product, protocol and delivery system and will update the market in H1 2022 with regards to its strategy.

SCIB2
SCIB2 targets multiple epitopes from the NY-ESO-1 antigen. The Company announced earlier in the year that due to the impact of the COVID-19 pandemic and Cancer Research UK's Centre for Drug Development's re-evaluation of their collaboration model, that both parties had agreed to end their clinical development partnership for SCIB2. Subsequently, the Company has generated an enhanced version of SCIB2 using the AvidiMab™ technology. The Company will now explore options for advancing the iSCIB2 programme either in-house or with another partner.

ANTIBODIES

Anti-glycan antibodies
Scancell has been building a pipeline of differentiated anti-cancer monoclonal antibodies ('mAbs') that target sugar motifs rather than peptides. The Company currently has five novel mAbs in early-stage development and has the potential to use its unique methodology to identify many more mAbs against glycan targets in the future.

All cells are covered by a dense layer of sugar structures, called glycans, which change when a normal cell turns into a cancer cell. Tumour Associated glycans ('TaGs') are glycan motifs that are associated with tumour malignancies and these can be targeted by antibodies such as the Company's mAbs.

The mAb drug candidates in Scancell's pipeline target are particularly compelling with TaG drug targets and have been engineered to have superior affinity and selectivity profiles to directly kill tumour cells. These mAbs can also be used to deliver cytotoxic drugs, to redirect T cells or to be used in CAR T cellular therapies. The Group intends to achieve these developments through strategic partnerships with third parties.

AvidiMab™
AvidiMab™ is a versatile platform technology that has been developed by Scancell and can enhance the avidity and thereby the potency of any antibody.

Scancell has used AvidiMab™ in its internal programmes to:

- Engineer the anti-TaG mAbs to improve their ability to directly kill tumour cells.
- Engineer other mAbs to enhance their potency and/or extend their patent lifetime.
- Increase the breadth of response and potency of Scancell's ImmunoBody® cancer products.
- Increase the potency of the T cell response in Scancell's COVID-19 vaccine which in turn should lead to improvements in long-term protection and immunological memory.

Scancell is planning to increase the value of this rich pipeline of products through the generation of early-stage clinical data, either alone or in combination with strategic partners. Since the year-end, the Company has also set up a non-trading, dormant company, Zakari Therapeutics Limited which is a 100 percent owned subsidiary of Scancell Limited.

CORPORATE

Board appointments
During the period, Scancell announced the appointment of Susan Clement Davies as a Non-Executive Director and Chair of the Audit Committee. Susan Clement-Davies is an experienced life sciences financier with over 25 years of capital markets and investment banking experience.

Staff
The Board is very appreciative of the effort and dedication that all of our staff have shown over the year. This is especially so as staff have been operating in the new work environment necessitated by the COVID-19 pandemic. The Directors thank them for all their efforts in these unprecedented and challenging times.

Expanded laboratory facilities
Post period, the Group entered into a 5-year lease agreement with The Oxford Science Park for additional laboratory and office space in the Bellhouse Building at the Oxford Science Park. These new premises, which are complementary to Scancell's laboratories in the Biodiscovery Institute at the University of Nottingham, will allow the Company to further accelerate the development of its portfolio of immunotherapies.

FINANCIAL REVIEW

Profit or Loss and Other Comprehensive Income Statement

The Group made an operating loss for the year to 30 April 2021 of £8.8 million (2020 loss of £6.8 million).

There has been an increase in development expenditure to £6.4 million (2020: £4.7 million), which largely relates to the manufacture of SCOV1 for the ongoing clinical trial in South Africa.

The Company has received grant income of £0.9 million from Innovate UK which has partially funded the development of the COVID-19 vaccine.

The increase in administrative expenditure to £3.3 million (2020: £2.1million) reflects increased share option charge; intellectual property costs, directors' bonuses; and transaction costs in respect of the issue of new convertible loan notes.

Interest payable is largely in respect of the convertible loan notes issued during the year. The finance expense relating to the derivative liability is the fair value adjustment of the derivative liability at 30 April 2021 offset by gains on the conversion of part of the convertible loan note into shares during the year.

The Loss before taxation amounted to £16.8 million (2020: £6.8 million) and the R&D tax credit increased slightly to £1.32 million (2020: £1.26 million). As the Company has received grant income in respect of the development of the COVIDITY vaccine none of the COVIDITY development costs can be included in the R&D tax claim.

Overall, the loss for the year was £15.5 million (2020: loss £5.5 million).

Statement of Financial Position

At 30 April 2021 the net assets of the Group amounted to £19.5 million (2020: £7.6 million) including cash at bank of £41.1 million (2020: £3.6 million) due to the additional fundraising of £46.1 million from the issue of shares and convertible loan notes.

During the year there was increased expenditure of £0.7 million on laboratory equipment at Nottingham which form part of the Tangible Fixed assets. The new lease for premises in Oxford was recognised as a right of use asset and a lease liability increasing additions and the lease liability by £285K.

The tax receivable due at the end of the year amounted to £2.6 million (2020: £1.3 million) and relates to the R&D tax credit for the 2019/20 tax year, which was received in May 2021 plus the tax credit for the year to 30 April 2021.

The increase in Trade and other receivables to £968k (2020: £371k) relates primarily to amounts owing to the Group in respect of grant income receivable for the four months to 30 April 2021. All grant income owing at 30 April 2021 has been received since the year end.

In August 2020, the group issued £6m in convertible loan notes to Vulpes (£1m) and Redmile Group (£5m). On 27 October 2020, Vulpes converted their loan note to shares. Redmile converted £3.25m of their loan note into shares on 4 November 2020. A further £17.9m convertible loan notes were issued to Redmile Group on 10 November 2020. At 30 April 2021, the total amount of convertible loan notes outstanding was £19.65 million.

Trade payables at the end of the year of £821k (2020: £395k) relate to the increased manufacturing in the latter part of the financial year as more expenditure was incurred in the manufacture of SCOV1 for the upcoming COVIDITY clinical trial.

Consolidated Cash Flow Statement

As can be seen in the Consolidated Cash Flow Statement, there has been a significant increase in cash and cash equivalents of £37.5 million to £41.1 million (2020: decrease £1 million). This is due to the net proceeds from the issue of new shares in the year of £22.7 million (2020: £3.8 million) and the issue of convertible loan notes totalling £23.5 million (2020: £nil) which has been offset by net cash used in operations before changes in working capital of £8.3 million (2020: £6.7 million).

OUTLOOK

Following the issue of shares and convertible loan notes earlier in the financial year, the Directors believe that the Company is well-funded and its diverse pipeline, based upon its proprietary platforms, is on track to deliver multiple value inflection points over the next 18 months. The additional capital will enable the Company to pursue multiple clinical programmes across its vaccine and antibody portfolios, which the Board believe will significantly enhance the value of the Company.

This additional capital will also provide the Company with further flexibility regarding the development plans for its existing therapies, to ensure both optimal development and commercialisation strategies can be pursued, and to limit the potential impact on the Company of economic pressures caused by COVID-19.

In the Group's vaccine portfolio:

- Modi-1, the lead therapeutic vaccine candidate from our Moditope® platform, is expected to begin recruiting patients into a Phase 1/2 study for the treatment of solid tumours shortly, with safety and tolerability data expected in 2022. Based on the Group's current timelines, the Phase 2 module of the study could generate initial proof of concept efficacy data in 2023.

- GMP manufacturing for Modi-2, the second therapeutic vaccine candidate from the Moditope® platform, is anticipated to commence during 2022.

- A Phase 1 study of our next generation DNA COVID-19 vaccine candidate (COVIDITY) started in October 2021, with safety data anticipated to be available in H1 2022. Given the need for large sized later stage trials, the Company will seek to partner this programme once it has generated proof of concept data.

- Our ImmunoBody® vaccine, SCIB1, is currently being evaluated in a Phase 2 clinical trial in the UK in combination with the checkpoint inhibitor Keytruda® for the treatment of metastatic melanoma. Due to the easing of COVID-19 restrictions at clinical sites, it is anticipated that initial efficacy data will be available in 2022.

In the Group's antibody pipeline:

- Scancell will continue to progress its pipeline of differentiated AvidiMab™ enhanced antibody products targeting sugar motifs (anti-TaG mAbs) towards the clinic. These mAbs could be used as stand-alone therapeutics, be used to deliver cytotoxic drugs (antibody-drug conjugates), to redirect T cells or to be used in CAR-T cellular therapies.

- Additionally, the Company will further leverage its AvidiMab™ platform, which has the ability to enhance the avidity and thereby the potency of any monoclonal antibody, and is planning to increase the value of this rich pipeline of products through the generation of early stage clinical data, either alone or in combination with strategic partners.

COVID-19 has made this an unprecedented period for the Group, however we are very pleased with the strong momentum that occurred in the business over the past year and the Board would like to thank all our shareholders for their ongoing support.

John Chiplin
Chairman

CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT
for the year ended 30 April 2021

	Notes	2021 £'000	2020 £'000
Development expenses		(6,406)	(4,667)
Administrative expenses		(3,346)	(2,115)
Grant income		918	-
OPERATING LOSS	2	(8,834)	(6,782)
Interest receivable and similar income		3	14
Interest payable		(1,651)	-
Finance expense relating to derivative liability		(6,323)	-
LOSS BEFORE TAXATION		(16,805)	(6,768)
Taxation	3	1,328	1,262
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS		(15,477)	(5,506)
LOSS PER ORDINARY SHARE (pence) (note 4)			
Continuing operations			
Basic		(2.28)p	(1.21)p
Diluted		(2.28)p	(1.21)p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 April 2021

		2021 £'000	2020 £'000
ASSETS			
Non-current assets			
Tangible fixed assets		692	63
Right-of-use assets		283	132
Goodwill		3,415	3,415
		4,390	3,610
Current assets			
Trade and other receivables		968	371
Taxation receivable		2,590	1,262
Cash and cash equivalents		41,110	3,575
		44,668	5,208
TOTAL ASSETS		49,058	8,818
LIABILITIES			
Non-current liabilities			
Convertible loan notes	5	(15,184)	-
Derivative liability	6	(12,031)	-
Lease Liabilities		(63)	(79)
		(27,278)	(79)
Current liabilities			
Trade and other payables		(2,087)	(1,041)
Lease Liabilities		(208)	(50)
		(2,295)	(1,091)
TOTAL LIABILITIES		(29,573)	(1,170)
NET ASSETS		19,485	7,648
SHAREHOLDERS' EQUITY			
Called up share capital		815	465
Share premium		65,019	38,388
Share option reserve		705	372
Profit and loss account		(47,054)	(31,577)
TOTAL SHAREHOLDERS' EQUITY		19,485	7,648

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 April 2021

	Share Capital	Share Premium	Share Option	Retained losses	Total
	£'000	£'000	£'000	£'000	£'000
Balance 1st May 2019	388	34,638	382	(26,071)	9,337
Share issue	77	3,800	-	-	3,877
Expenses of issue		(50)			(50)
Loss for the year and other comprehensive income	-	-	-	(5,506)	(5,506)
Share option debit	-	-	(10)	-	(10)
Balance 30 April 2020	465	38,388	372	(31,577)	7,648
Share issue	280	23,856	-	-	24,136
Expenses of issue		(1,409)	-	-	(1,409)
Conversion of loan notes	70	4,184	-	-	4,254
Loss for the year and other comprehensive loss	-	-	-	(15,477)	(15,477)
Share option credit	-	-	333	-	333
Balance 30 April 2021	815	65,019	705	(47,054)	19,485

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 April 2021

	2021 £'000	2020 £'000
Cash flows from operating activities		
(Loss) before tax	(16,805)	(6,768)
Adjustments for:		
Finance income	(3)	(14)
Lease interest paid	12	3
Convertible loan interest payable	1,639	-
Finance expense for derivative liability	6,323	-
Depreciation	115	22
Amortisation of right-of-use asset	134	21
Share-based payment charge/ (credit)	333	(10)
Cash used in operations before changes in working capital	**(8,252)**	**(6,746)**
(Increase)/Decrease in other receivables	(597)	307
Increase /(Decrease) in accounts and other payables	1,046	(164)
Cash used in operations	**(7,803)**	**(6,603)**
Tax credits received	-	1,831
Net cash used in operating activities	**(7,803)**	**(4,772)**
Investing activities		
Purchase of tangible fixed assets	(744)	(27)
Finance income	3	14
Net cash (used in) investing activities	**(741)**	**(13)**
Financing activities		
Proceeds from issue of share capital	24,136	3,877
Expenses of share issue	(1,409)	(50)
Proceeds from issue of convertible loan notes	23,901	-
Expenses of convertible loan notes issue	(395)	-
Lease payments	(254)	(27)
Net cash generated from financing activities	**46,079**	**3,800**
Net increase/(decrease) in cash and cash equivalents	**37,535**	**(985)**
Cash and cash equivalents at beginning of the year	**3,575**	**4,560**
Cash and cash equivalents at end of the year	**41,110**	**3,575**

NOTES TO THE FINANCIAL INFORMATION
for the year ended 30 April 2021

1 BASIS OF PREPARATION

These financial results do not comprise statutory accounts for the year ended 30 April 2021 within the meaning of Section 434 of the Companies Act 2006. The financial information in this announcement has been extracted from the audited financial statements for the year ended 30 April 2021.

The financial statements have been prepared on the going concern basis on the grounds that the directors have reviewed the funding available and the group's cash flow forecast and are content that sufficient resources are available to enable the group to continue in operation for at least twelve months from the date of approval of these financial statements.

These financial statements have been prepared in accordance with international accounting standards in conformity with requirements of the Companies Act 2006 applicable to companies reporting under IFRS. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policies.

2 OPERATING LOSS

	2021 £'000	2020 £'000
Operating Loss is stated after charging:		
Depreciation on tangible fixed assets	115	22
Amortisation of right-of-use asset	134	21
Short-term leases out of IFRS 16 scope	-	123
Research and development	6,301	4,667
Auditors' remuneration – fee payable for audit of the company	25	20
Auditors' remuneration – fee payable for audit of the subsidiary company	22	20
Directors' remuneration	1,015	745

3 TAXATION

The tax credit on the loss on ordinary activities for the year was as follows:

	2021 £'000	2020 £'000
Current tax		
UK corporation tax credits due on R&D expenditure	1,288	1,262
Adjustment to prior year	40	-
	1,328	1,262

Factors affecting the tax credit

The tax assessed for the years is lower than the applicable rate of corporation tax in the UK. The difference is explained below:

	2021 £'000	2020 £'000
Loss on ordinary activities before tax	(16,805)	(6,768)
Loss on ordinary activities multiplied by the small company rate of tax in the UK (19 %)	(3,193)	(1,286)
Effects of:		
Disallowed expenditure	1,632	27
Other differences	17	(2)
Enhanced tax relief on R&D expenditure	(967)	(947)
Reduced tax relief for losses surrendered for R&D tax credits	396	420
Prior year (under)/ over provision	(40)	-
Unrelieved losses carried forward	827	526
Current tax (credit)	(1,328)	(1,262)

The Group has tax losses to carry forward against future profits of approximately £26.65 million (2020: £21.72 million).

A deferred tax asset has not been recognised in respect of these losses as the Group does not anticipate sufficient taxable profits to arise in the foreseeable future to fully utilise them.

The estimated value of the deferred tax asset not recognised measured at the prevailing rate of tax when the timing differences are expected to reverse is £4.9 million (2020: £4.1 million).

Taxation receivable is £2,590,000 (2020: £1,210,793).

4 LOSS PER SHARE

Basic loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	2021 £'000	2020 £'000
Loss used in calculation of basic loss per share	(15,477)	(5,506)
	Number	Number
Weighted average number of ordinary shares of 0.1p each for the calculation of basic loss per share	678,628,780	456,218,743

Diluted loss per share

As the Group is reporting a loss from continuing operations for both years then, consequentially, the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

At the year end the issued share capital amounted to 815,218,831 ordinary shares.

5 CONVERTIBLE LOAN NOTES

Non-current	2021 £'000.	2020 £'000.
Convertible Loan Notes 1 *(convertible or repayable by 12 August 2022**)*		
Issued in the year	3,895	-
Conversion to share capital	(2,875)	-
	1,020	-
Interest expense	327	-
	1,347	-
Convertible Loan Notes 2 *(convertible or repayable by 10 November 2022)**		
Issued in the year	12,525	-
Interest expense	1,312	-
	13,837	-
Total Convertible loan notes at 30 April 2021	**15,184**	**-**

*See note 7 below

On 12 August 2020, the Company issued convertible loan notes ('CLN1') with a value of £6m to Redmile Group (£5m) and Vulpes (£1m) These notes are interest free and convertible into ordinary shares of Scancell Holdings plc at 6.1 pence per share at any time at the option of the holder or are repayable on the second anniversary of the date of issue. Transaction costs of £265k have been offset against the convertible loan notes liability. The convertible loan notes are unsecured.

During the year the Company has converted £4.25m of CLN1 (Redmile £3.25m; Vulpes £1m) into ordinary shares of 1p at a price of 6.1p per share

Another tranche of convertible loan notes ('CLN2') with a value of £17.9 million were issued to Redmile Group on 10 November 2020. These notes have a coupon of 3% per annum and are convertible into ordinary shares of Scancell Holdings plc at 13 pence per share at any time at the option of the holder, or are repayable on the second anniversary of the date of issue. Transaction costs of £395k have been offset against the convertible loan notes liability. The convertible loan notes are unsecured.

6 DERIVATIVE FINANCIAL LIABILITY

	2021	2020
Non-current	£'000.	£'000.
Brought forward	-	-
Fair value at recognition	7,110	-
Derecognition of gain or loss on conversion of loans to shares	(1,402)	-
	5,708	-
Fair value loss in the year	6,323	-
	12,031	-

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into three levels based on the degree to which the fair value is observable as defined by IFRS 13:

- Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The derivative financial instrument included in the Statement of financial position, which is classified as a Level 3 derivative financial instrument, is the fair value of the conversion option of the convertible loan notes issued to Redmile Group LLC and Vulpes. The fair value has been determined using the Black Scholes model and is determined at the initial recognition of the liability and then at each subsequent reporting date, using an estimated volatility, a risk-free rate, a dividend yield, expected term, exercise price and end of year market price., as follows

	Inception 12 August 2020	Year end 30 April 2021	Inception 10 November 2020	Year end 30 April 2021
Estimated volatility (%)	82.32	97.77	82.43	97.77
Risk-free interest rate (%)	0.210	0.77	0.310	0.77
Dividend yield (%)	0	0	0	0
Expected term (years	0.75	1.28	0.75	1.53
Market share price (p)	6.95	22.0	13.38	22.0

Changes to the fair value are recognised in finance expense in the Consolidated profit or loss and other comprehensive income statement

7 SUBSEQUENT EVENT

Following the year- end, the Directors have entered into a deed of amendment relating to the convertible loan notes issued by the Company held by funds managed by Redmile Group, LLC (the "Redmile Funds"). Under the terms of the deed of amendment:

a. the deed constituting the Nil Rate Unsecured Convertible Loan Notes 2020, dated 12 August

2020, is amended such that the redemption date is extended to 12 August 2025, and

b. the deed constituting the 3% Unsecured Convertible Loan Notes 2020, dated 10 November 2020, is amended such that the redemption date is extended to 10 November 2025.

8 DELIVERY OF ACCOUNTS

The audited statutory accounts in respect of the prior year ended 30 April 2020 have been delivered to the Registrar of Companies. The auditors issued an unqualified audit opinion which did not contain any statement under section 498(2) or 498(3) of the Companies Act 2006.

9 AVAILABILITY OF ACCOUNTS

This announcement is not being posted to shareholders. Copies of this announcement can be downloaded shortly from the Company's website: www.scancell.co.uk together with copies of the Report and Accounts.